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September 23, 2004

HAND DELIVERY

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

**RE: *Alleged Failure to Comply with Commission Regulations 807 KAR 5:006,
Section 25(4)(d) and 807 KAR 5:041, Section 3(1)
Case No. 2004-00232***

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten (10) copies of Louisville Gas and Electric Company's Response to Commission's Order of September 7, 2004, and Motion to Suspend Hearing and Schedule Informal Conference in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copy and return it to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Yours very truly,



J. Gregory Cornett

JGC/le
Enclosures
cc: Parties of Record

J. GREGORY CORNETT

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RECEIVED
SEP 23 2004
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND)
ELECTRIC COMPANY)
_____))
ALLEGED FAILURE TO COMPLY)
WITH COMMISSION REGULATIONS)
807 KAR 5:006, SECTION 25(4)(d) AND)
807 KAR 5:041, SECTION 3(1))

CASE NO. 2004-00232

RECEIVED
SEP 23 2004
PUBLIC SERVICE
COMMISSION

RESPONSE OF LOUISVILLE GAS AND ELECTRIC COMPANY
TO THE COMMISSION'S ORDER OF SEPTEMBER 7, 2004
AND MOTION TO SUSPEND HEARING AND
SCHEDULE INFORMAL CONFERENCE

On September 7, 2004, the Kentucky Public Service Commission ("Commission") issued an order directing Louisville Gas and Electric Company ("LG&E") to file a written response to the allegations contained in the Electric Utility Personal Injury Incident Report ("Report") prepared by the Commission Staff and dated May 24, 2004. For its response to the Commission's order, LG&E states as follows:

1. LG&E admits that the information contained in the sections of the Report titled "Utility," "Reported By," "Incident Occurred," "Utility Notified," "PSC Notified," "PSC Investigated," "Report Received," "Incident Location," "Incident Description," "Victim" and "Witness" is accurate to the best of its understanding and belief, except that the references to Rhom-Haas, Rohm-Haas and Rohm-Haas Chemical Co. should be, on information and belief, to Rohm and Haas Company.

2. With regard to the sections of the Report titled "Information From" and "Notes," LG&E is without information or knowledge sufficient to admit or deny the statements therein.

3. With regard to the section of the Report titled "Probable Violations," LG&E denies that it committed the alleged violations of 807 KAR 5:006, Section 25(4-d) and the National Electrical Safety Code (2002 Edition) ("NESC") referenced in Administrative Regulation 807 KAR 5:041, Section 3. LG&E affirmatively states that it conducted inspections of the facilities in issue in compliance with 807 KAR 5:006, Section 25(4-d), and that it had no knowledge of any actual or claimed clearance or other problems before the incident in question.

4. LG&E admits that the information contained in the section of the Report titled "Line/Equipment Measurements/Clearances," and the subsections thereunder, is accurate to the best of its understanding and belief, but denies that said information establishes any violation of the NESC or 807 KAR 5:041, Section 3 by LG&E.

NOW, THEREFORE, Louisville Gas and Electric Company requests that this case be dismissed or, in the alternative, that the hearing date set for September 30, 2004 be suspended and that an informal conference be scheduled with the Commission Staff for the purpose of discussing settlement and expediting resolution of this proceeding. LG&E's willingness to discuss settlement is not, and should not be construed as, an admission of any liability or fault on its part.

Respectfully submitted,



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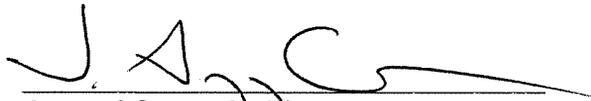
James Dimas
Corporate Attorney
LG&E Energy LLC
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-3712

Counsel for Louisville Gas and
Electric Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing Response and Motion was served upon the following persons by first class mail, postage prepaid, on the 23rd day of September 2004.

Richard G. Raff
Staff Counsel
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601



Counsel for Louisville Gas
and Electric Company